FERREXPO PLC

16 November 2021

Ferrexpo plc
("Ferrexpo" or the "Company" or the "Group")

Announcement of Shareholder Returns Policy

Ferrexpo plc (LSE: FXPO), the world's 3rd largest exporter of high grade iron ore pellets to the global steel industry, is pleased to announce the approval of a formal shareholder returns policy by the Group's Board of Directors ("Board").

The approved policy is to target a payout of 30% of free cash flow[1], forming the basis of the Group's dividend, payable in respect of the Group's performance in a financial year. The Board will continue to evaluate additional shareholder returns, in the form of special dividends, at times of strong financial and operational performance of the Group. Ferrexpo's shareholder returns policy, as well as the declaration and payment of dividends, is at the discretion of the Board and will depend on the Group's financial results, cash requirements, financial outlook, the economic environment both locally within Ukraine and on a global basis, and other factors deemed relevant by the Board.

The new policy reflects the Group's continued commitment to sustainable shareholder returns, balanced alongside capital investment for future growth, and represents a continuation of the approach applied by the Board since the Group's listing in 2007. The Board believes that free cash flow is the most appropriate financial metric for Ferrexpo to use in its shareholder returns policy given that it is net of capital investment and financing activities, and therefore does not restrict the Group from continuing its focus on investing in it's operations in Ukraine and its wider logistics network. By adopting a formal policy at this point in time, the Board believes this is a clear demonstration of the Group's strong commitment to shareholder returns throughout the commodity cycle.

For 15 years since listing, the Group's Board has maintained a consistent and balanced approach to capital allocation throughout the commodity cycle, both investing in future growth and providing shareholder returns. The Group has met the target threshold for shareholder returns announced today in each of the past three calendar years, and therefore this policy serves to define the Group's established strategy. The Group will continue its investments in growth and product quality, and modernising the Group's operations, and therefore the Board will continue to assess cash flows for shareholder returns on a regular basis.

The policy, effective as of today, has been made following a review with the Group's financial advisors and is in line with other metals and mining companies in the Group's peer group, particularly those with a single commodity focus.

Jim North, Interim Group Chief Executive Officer, said:
"Ferrexpo is a company that has consistently delivered both growth, in the form of production volumes and product quality, and shareholder returns throughout the commodity cycle, as established through our track record since listing. Today's announcement marks an important milestone in the Group's development and provides further clarity and disclosure on our capital allocation strategy.

We are pleased to unveil this new policy so soon after publishing our group decarbonisation targets, further demonstrating our direction as a business. As a top three global iron ore pellet exporter, we recognise our role in producing higher grade iron ore pellets, which are a pathway to green steel production in the future, as well as allowing our steel making customers to significantly reduce their own carbon emissions today.

For further information, please contact:

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About Ferrexpo:
Ferrexpo is a Swiss headquartered iron ore company with assets in Ukraine. It has been mining, processing and selling high quality iron ore pellets to the global steel industry for over 40 years. In 2020, the Group produced 11.2 million tonnes of iron ore pellets, a 7% increase on the prior year. The Company is ranked as the world's 3rd largest exporter of pellets to the global steel industry with a market share of approximately 9%. Ferrexpo has a diversified customer base supplying steel mills in Austria, Germany, Japan, South Korea, Taiwan, China, Slovakia, the Czech Republic, Turkey, Vietnam and America. Ferrexpo has a premium listing on the main market of the London Stock Exchange under the ticker FXPO. For further information, please visit www.ferrexpo.com.

[1] Free cash flow comprises net cash flows from operating activities less net cash flows from investing and financing activities. Net cash flows used in investing activities include, but are not limited to, the following: sustaining capital expenditure, development capital expenditure and any acquisition capital expenditure.